

House Bill 1262

By: Representative Lunsford of the 110th

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 1 of Title 34 of the Official Code of Georgia Annotated, relating to
2 general provisions relative to labor and industrial relations, so as to require labor
3 organizations to file annual financial reports with the Commissioner of Labor; to provide for
4 a short title; to provide for legislative intent and findings; to provide for definitions; to
5 require certain submissions by labor organizations to the Commissioner of Labor; to provide
6 for maintenance of substantiating records; to provide for access to members of the labor
7 organization; to provide for public access to the financial reports; to provide for the rules and
8 regulations; to provide for violations; to provide for civil actions; to provide for an exception;
9 to provide for an effective date and applicability; to provide for related matters; to repeal
10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 This Act shall be known and may be cited as the "Georgia Labor Organization Reporting and
14 Disclosure Act of 2006."

15 **SECTION 2.**

16 It is the intent of the General Assembly to protect the welfare and best interests of the
17 employee workforce in this state. The General Assembly finds and declares that a public
18 purpose is served by ensuring that labor organizations which serve members in various
19 segments of the workforce uphold their fiduciary duties to their members. The General
20 Assembly therefore declares that in its considered judgment, the public good and the general
21 welfare of the citizen workforce of this state requires the enactment of this Act.

SECTION 3.

Chapter 1 of Title 34 of the Official Code of Georgia Annotated, relating to general provisions relative to labor and industrial relations, is amended by adding a new Code section to the end thereof to read as follows:

"34-1-8.

(a) As used in this Code section, the term:

(1) 'Commissioner' means the Commissioner of Labor.

(2) 'Employee' means any individual employed full time or part time by an employer.

(3) 'Employer' means any person or entity that employs one or more employees and shall include the State of Georgia and its political subdivisions and instrumentalities.

(4) 'Labor organization' means a state or local labor organization and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment. This term is intended to include any state or local organization, association, or corporation which has among its objectives educational, charitable, instructional, legislative, legal, or professional development activities related to promoting and enhancing the welfare of a profession and its employees.

(5) 'Member' means any person who has fulfilled the requirements for membership in a labor organization and who neither has voluntarily withdrawn from membership nor has been expelled from membership.

(6) 'Officer' means any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body.

(b) Every labor organization shall file a copy of its constitution and bylaws with the Commissioner, together with a report, signed by its president and secretary or corresponding principal officers, containing the following information:

(1) The name of the labor organization, its mailing address, and any other address at which it maintains its principal office or at which it keeps the records referred to in this Code section;

(2) The name and title of each of its officers;

(3) The initiation fee or fees required from a new or transferred member and fees for work permits required by the reporting labor organization;

(4) The regular dues or fees or other periodic payments required to remain a member of the reporting labor organization; and

(5) Detailed statements or references to specific provisions of documents filed under this Code section which contain statements showing the provisions made and procedures followed with respect to:

(A) Qualifications for or restrictions on membership;

(B) Levying of assessments;

(C) Participation in an insurance or other benefit plan;

(D) Authorization for disbursement of funds of the labor organization;

(E) Audit of financial transactions of the labor organization;

(F) The calling of regular and special meetings; and

(G) The selection of officers and stewards and of any representatives to other bodies composed of labor organizations' representatives, with a specific statement of the manner in which each officer was elected, appointed, or otherwise selected.

Any change in the information required by this subsection shall be reported to the Commissioner at the time the reporting labor organization files its annual financial report required by subsection (c) of this Code section.

(c) Every labor organization shall file annually with the Commissioner a financial report signed by its president and treasurer or corresponding principal officers containing the following information in such detail as may be necessary accurately to disclose its financial condition and operations for its preceding fiscal year:

(1) Assets and liabilities at the beginning and end of the fiscal year;

(2) Receipts of any kind and the sources thereof;

(3) Salary, allowances, and other direct or indirect disbursements, including reimbursed expenses, to each officer and also to each employee who received more than \$10,000.00 in the aggregate during the fiscal year from the labor organization and any other labor organization affiliated with it or with which it is affiliated, or which is affiliated with the same national labor organization;

(4) Direct and indirect loans made to any officer, employee, or member which aggregated more than \$250 during the fiscal year, together with a statement of the purpose, security, if any, and arrangements for repayment;

(5) Direct and indirect loans to any business enterprise, together with a statement of the purpose, security, if any, and arrangements for repayment; and

(6) Other disbursements made by it including the purposes thereof.

These shall be in such categories as prescribed by the Commissioner. The report required pursuant to this subsection shall be filed no later than 90 days after the end of the fiscal year of the labor organization.

(d) Every labor organization required to submit a financial report under this Code section shall maintain records on the matters required to be included in the report that will provide sufficient detail to verify, explain, clarify, and ensure the accuracy and completeness of the information and data contained in the report. The records maintained shall include, but not be limited to, vouchers, worksheets, receipts, and applicable resolutions of the labor organization. The records maintained for a fiscal year report shall be preserved for a period of not less than five years after the filing of the report.

(e) Every labor organization required to submit a financial report under this Code section shall make available to all of its members the information required to be contained in such report as well as the substantiating records maintained pursuant to subsection (d) of this Code section. The financial report required by this subsection shall include the content and information in the manner as required by the U. S. Department of Labor forms LM-2, LM-3, and LM-4, as in effect on July 1, 2006, as deemed appropriate by the Commissioner. The Commissioner shall be authorized to establish total annual receipt amount requirements for each form.

(f) The reports submitted to the Commissioner by labor organizations pursuant to this Code section shall be public records and subject to Article 4 of Chapter 18 of Title 50, relating to the inspection of public records, and the Commissioner may make available in any form, in his or her discretion, the reports and any information and data contained in such reports. The Commissioner may use the information and data contained in such reports for statistical and research purposes and may compile and publish such studies, analyses, reports, and surveys based on such reports as he or she deems appropriate. The Commissioner shall make available to the public each report within ten days of receipt of any such report.

(g) The Commissioner shall be authorized and directed to promulgate rules and regulations to implement the provisions of this Code section.

(h)(1) Any person who willfully violates this Code section shall be fined not more than \$10,000.00, imprisoned for up to one year, or both.

(2) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact in any report filed pursuant to this Code section shall be fined not more than \$10,000.00, imprisoned for up to one year, or both.

(3) Any person who willfully makes a false entry in or willfully conceals, withholds, or destroys any books, records, reports, or statements required to be maintained pursuant to subsection (d) of this Code section shall be fined not more than \$10,000.00, imprisoned for up to one year, or both.

1 (4) Each individual required to sign a financial report pursuant to subsection (c) of this
2 Code section shall be personally responsible for the filing of such reports and for any
3 statement contained therein which he or she knows to be false.

4 (i) Whenever it shall appear that any person has violated or is about to violate any of the
5 provisions of this Code section, the Commissioner may bring a civil action for such relief,
6 including injunctions, as may be appropriate.

7 (j) Any labor organization which is required to comply with and is in compliance with the
8 federal Labor-Management Reporting and Disclosure Act of 1959, as amended, shall not
9 be required to comply with this Code section."

10 **SECTION 4.**

11 This Act shall become effective on July 1, 2006 and shall be effective for each labor
12 organization for the labor organization's fiscal year ending on or next ensuing after July 1,
13 2006.

14 **SECTION 5.**

15 All laws and parts of laws in conflict with this Act are repealed.